

CLASSIFICATION

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CLASSIFICATION

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In reply refer to:
SP-665

December 9, 1960

Dear Wendell:

Attached are the fiscal reports for all programs as of October. You will find them substantially in agreement with the reports as of September. However, we now believe that Itek will not be able to stay within the contract cost value on the C program, mainly due to an overhead variance for their fiscal year 1959. Our best estimate is that the Research costs included in their variance approximate \$15,000.00.

If you have any questions, do not hesitate to contact us.

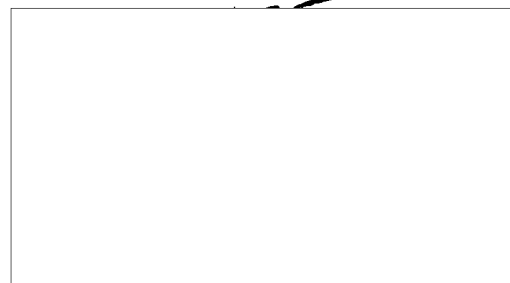
Very truly yours,



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**CONTAINS SENSITIVE
COMPARTMENTED INFORMATION**



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Monthly Fiscal Report at end of October, inclusive
of fee on all cost items:

| <u>CORONA</u> | <u>LMSD</u> | <u>Itek</u> | <u>G.E.</u> | <u>Total</u> | |
|-----------------------|-------------|-------------|-------------|--------------|------|
| Costs through October | | | | | 50X1 |
| Commitments | | | | | |
| Estimate to Complete | | | | | |
| Total Costs | | | | | |
| Contract Value | | | | | |
| Variance | | | | | |

Contract variance results from Itek reporting costs based on booked unaudited overhead rates, whereas they previously have reported as being able to stay within contract value. LMSD believes Itek costs to be realistic and recommends budgeting therefor.

| <u>CORONA PRIME</u> | <u>LMSD</u> | <u>Itek</u> | <u>G.E.</u> | <u>Total</u> | |
|-----------------------|-------------|-------------|-------------|--------------|------|
| Costs through October | | | | | 50X1 |
| Commitments | | | | | |
| Estimate to Complete | | | | | |
| Total Costs | | | | | |
| Contract Value | | | | | |
| Variance | | | | | |

Itek variance represents budgetary estimate of three additional instruments; G.E. variance represents anticipated costs yet to be incurred to completion of contract; LMSD variance represents anticipated fee on Itek budgetary estimate.

61 CORONALMSDItekG.E.Total

Costs through October

\$

50X1

Commitments

Estimate to Complete

Total Costs

Contract Value

Variance

Variances represent budgetary estimate differences between original program concept and revised program concept. LMSD variance is composed of estimated cost [] anticipated fee, on this cost and Itek variance, of \$176,130.

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ARGONLMSDFCICG.E.Total

Costs through October

\$

50X1

Commitments

Estimate to Complete

Total Costs

Contract Value

Variance

FCIC variance represents changes of approximately [] Additional
[] at FCIC and [] At G.E. represents amounts estimated per SP-624.

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